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Sixty-first session
Agenda item 57

Eradication of poverty and other development issues

Report of the Second Committee*

Rapporteur: Ms. Vanessa **Gomes** (Portugal)

1. At its 2nd plenary meeting, on 13 September 2006, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-first session the item entitled:

"Eradication of poverty and other development issues:

(a) Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006);

(b) Industrial development cooperation"

and to allocate it to the Second Committee.

2. The Second Committee considered the item at its 23rd, 27th to 30th, 33rd and 34th meetings, on 30 October, 10, 14 and 17 November and 6 and 8 December 2006. An account of the Committee's discussion of the item is contained in the relevant summary records (A/C.2/61/SR.23, 27-30, 33 and 34). Attention is also drawn to the general debate held by the Committee at its 2nd to 6th meetings, from 2 to 4 October (see A/C.2/61/SR.2-6). An account of the Committee's further consideration of the item will be given in the addenda to the present report.

3. For its consideration of the item, the Committee had before it the following documents:

(a) Report of the Secretary-General on the observance of the International Year of Microcredit, 2005 (A/61/307);

(b) Report of the Secretary-General on the observance of the International Day for the Eradication of Poverty (A/61/308);

* The report of the Committee on this item will be issued in three parts, under the symbol A/61/426 and Add.1-2.

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(c) Note by the Secretary-General transmitting the report of the Director-General of the United Nations Industrial Development Organization on industrial development cooperation (A/61/305).

4. At its 23rd meeting on 30 October, the Committee heard an introductory statement under sub-item (b) by the Director-General of the United Nations Industrial Development Organization.

5. At the 27th meeting, on 10 November, the Director of the Division for Social Policy and Development of the Department of Economic and Social Affairs of the Secretariat introduced the report of the Secretary-General under sub-item (a) (A/61/308). A statement was also made by the representative of the United Nations Industrial Development Organization (see A/C.2/61/SR.27).

6. At the same meeting, pursuant to section C, paragraph 3 (d), of the annex to General Assembly resolution 58/316, the Committee held a dialogue with representatives, during which a question was posed by the representative of the United States of America, to which the Director of the Division for Social Policy and Development of the Department of Economic and Social Affairs responded (see A/C.2/61/SR.27).

7. Also at the same meeting, the Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States made a statement (see A/C.2/61/SR.27).

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Sixty-first session
Agenda item 57 (a)

Eradication of poverty and other development issues: implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

Report of the Second Committee*

Rapporteur: Ms. Vanessa **Gomes** (Portugal)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 57 (see A/61/426, para. 2). Action on sub-item (a) was taken at the 29th, 30th, 33rd and 34th meetings, on 14 and 17 November and 6 and 8 December 2006. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/61/SR.29, 30, 33 and 34).

II. Consideration of proposals

A. Draft resolutions A/C.2/61/L.22 and A/C.2/61/L.66

2. At the 29th meeting, on 14 November, the representative of South Africa, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)" (A/C.2/61/L.22), which read:

> *"The General Assembly,*
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> *"Recalling* its resolutions 47/196 of 22 December 1992, 48/183 of 21 December 1993, 50/107 of 20 December 1995, 56/207 of 21 December 2001, 57/265 and 57/266 of 20 December 2002, 58/222 of 23 December 2003, 59/247 of 22 December 2004 and 60/209 of 22 December 2005,

* The report of the Committee on this item will be issued in three parts, under the symbol A/61/426 and Add.1 and 2.

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"*Recalling also* the United Nations Millennium Declaration, adopted by Heads of State and Government on the occasion of the Millennium Summit, and their commitment to eradicate extreme poverty and to halve, by 2015, the proportion of the world's people whose income is less than one dollar a day and the proportion of people who suffer from hunger,

"*Recalling further* the 2005 World Summit Outcome,

"*Recalling* its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals,

"*Recalling also* the outcomes of the World Summit for Social Development and the twenty-fourth special session of the General Assembly,

"*Expressing its deep concern* that, even after the first United Nations Decade for the Eradication of Poverty, the number of people living in extreme poverty in many countries continues to increase, with women and children constituting the majority and the most affected groups, in particular in the least developed countries and in sub-Saharan Africa,

"*Recognizing* that mobilizing financial resources for development at the national and international levels and the effective use of those resources are central to a global partnership for development in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals,

"*Underlining* the priority and urgency given by the Heads of State and Government to the eradication of poverty, as expressed in the outcomes of the major United Nations conferences and summits in the economic and social fields,

"*Recognizing* the degrading and dehumanizing nature of extreme poverty,

"1. *Takes note* of the report of the Secretary-General;

"2. *Recognizes* that the first United Nations Decade for the Eradication of Poverty (1997-2006) made, inter alia, a contribution to building a global partnership to eradicate poverty in general and extreme poverty in particular at the national and international levels;

"3. *Reiterates* that eradicating poverty is the greatest global challenge facing the world today and an indispensable requirement for sustainable development, in particular for developing countries;

"4. *Recognizes* that, for developing countries to reach the targets set in the context of national development strategies for the achievement of the internationally agreed development goals, including the Millennium Development Goals, in particular the goal on the eradication of poverty, and for such poverty eradication strategies to be effective, it is imperative that developing countries be integrated into the world economy and share equitably in the benefits of globalization;

"5. *Also recognizes* the importance of official development assistance as an important source of financing development for many developing countries, and in this regard urges developed countries that have not yet done

so to make concrete efforts towards the 0.7 per cent target of the gross national product as official development assistance to developing countries;

"6. *Proclaims* the Second United Nations Decade for the Eradication of Poverty (2007-2016);

"7. *Urges* all Governments, the international community, including the United Nations system and all other actors, to pursue seriously the objective of the eradication of poverty within the context of the Second Decade;

"8. *Reiterates* the need to strengthen the leadership role of the United Nations in promoting international cooperation for development, critical for the eradication of poverty;

"9. *Welcomes* the observance of the International Day for the Eradication of Poverty and the International Human Solidarity Day, in order to raise public awareness to promote the eradication of poverty and extreme poverty in all countries, and in this regard recognizes the useful role the observance of the days continues to play in raising public awareness and mobilizing all stakeholders in the fight against poverty;

"10. *Urges* all Governments and the international community, including the United Nations system, and all other actors in society to pursue effectively the implementation of the outcomes of major United Nations conferences related to the eradication of poverty, in particular the World Summit for Social Development;

"11. *Requests* the Secretary-General to invite those organs, organizations, programmes, agencies, funds and bodies of the United Nations system that have not already done so to consider the establishment of focal points and other similar mechanisms so that they may effectively implement the provisions, agreements and outcomes of major United Nations conferences relevant to the eradication of poverty;

"12. *Stresses* the importance of ensuring, at the intergovernmental and inter-agency levels, coherent, comprehensive and integrated activities for the Second Decade, according to the outcome of the major United Nations conferences and summits organized in the economic, social and related fields;

"13. *Calls upon* Member States, the United Nations system, relevant international organizations and all other actors concerned with the Decade to participate actively in the financial and technical support of the Second Decade, in particular with a view to translating all measures and recommendations into operational and concrete poverty eradication programmes and activities;

"14. *Calls upon* developing countries to mobilize domestic and external resources for poverty eradication programmes and activities, and to facilitate their full and effective implementation;

"15. *Calls upon* donor countries to give greater priority to the eradication of poverty in their assistance programmes and budgets, on either a bilateral or a multilateral basis;

"16. *Recognizes* the useful role the observance of the International Day for the Eradication of Poverty continues to play in raising public awareness

and mobilizing all stakeholders in the fight against poverty, and requests the Secretary-General to undertake a review of the observance of the Day in order to identify lessons learned and ways to promote the mobilization of all stakeholders in the fight against poverty;

"17. *Decides* to include in the provisional agenda of its sixty-second session an item entitled 'Second United Nations Decade for the Eradication of Poverty (2007-2016)', and requests the Secretary-General to report to the General Assembly at that session on the implementation of the present resolution."

3. At its 34th meeting, on 8 December, the Committee had before it a draft resolution entitled "Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)" (A/C.2/61/L.66), submitted by the Vice-Chairman of the Committee, Prayono Atiyanto (Indonesia), on the basis of informal consultations held on draft resolution A/C.2/61/L.22.

4. At the same meeting, the representative of Angola, as facilitator, orally corrected draft resolution A/C.2/61/L.66.

5. The Committee was informed that the draft resolution had no programme budget implications.

6. Also at its 34th meeting, the Committee adopted draft resolution A/C.2/61/L.66, as orally corrected (see para. 14, draft resolution I).

7. In the light of the adoption of draft resolution A/C.2/61/L.66, draft resolution A/C.2/61/L.22 was withdrawn by its sponsors.

B. Draft resolutions A/C.2/61/L.39 and A/C.2/61/L.63

8. At the 30th meeting, on 17 November, the representative of South Africa, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Role of microcredit and microfinance in the eradication of poverty" (A/C.2/61/L.39), which read:

"*The General Assembly*,

"*Recalling* its resolutions 52/193 and 52/194 of 18 December 1997, 53/197 of 15 December 1998, 58/221 of 23 December 2003 and 59/246 of 22 December 2004,

"*Recognizing* that microcredit and microfinance programmes have succeeded in generating productive self-employment and proved to be an effective tool in assisting people in overcoming poverty and reducing their vulnerability to crisis, and have led to their growing participation, in particular the participation of women, in the mainstream economic and political processes of society,

"*Bearing in mind* the importance of microfinance instruments, such as credit, savings and other financial products and services, in providing access to capital for people living in poverty,

"*Recognizing* that the majority of the world's poor still do not have access to financial services and that there is significant demand for microcredit worldwide,

"*Noting* the convening of the United Nations Advisers Group on Inclusive Financial Sectors to promote the building of inclusive financial sectors to meet the needs and demands of poor people everywhere, building on the creation of the 'Blue Book' as a tool for policymakers seeking to build more inclusive financial sectors,

"*Noting also* the convening of the Global Microcredit Summit in Halifax, Canada, from 12 to 15 November 2006,

"*Welcoming* the efforts made in the field of property rights, and noting that an enabling environment at all levels, including transparent regulatory systems and competitive markets, fosters the mobilization of resources and access to finance for people living in poverty,

"1. *Takes note* of the report of the Secretary-General on the observance of the International Year of Microcredit, 2005, including the role of microcredit and microfinance in the eradication of poverty;

"2. *Welcomes* the successful observance of the International Year of Microcredit, 2005, which offered a special opportunity to raise awareness and share best practices and lessons learned on microcredit and microfinance;

"3. *Recognizes* that access to microcredit and microfinance can contribute to the achievement of the goals and targets of major United Nations conferences and summits in the economic and social fields, including those contained in the United Nations Millennium Declaration, in particular the goals relating to poverty eradication, gender equality and the empowerment of women;

"4. *Takes note* of the lack of relevant statistical data on microfinance and microcredit programmes, particularly at the national and regional levels, and in this regard invites the international community, particularly the donor community, to support developing countries in collecting and preserving necessary statistical data and information on this issue;

"5. *Calls upon* Member States and the United Nations system as well as other relevant stakeholders to fully maximize the role of microcredit and microfinance as tools for poverty eradication and to ensure that best practices in the microfinance sector are widely disseminated;

"6. *Acknowledges* that the Global Microentrepreneurship Awards contributed to promoting entrepreneurial culture and underscores in this regard the need to explore ways to continue the initiatives;

"7. *Calls upon* Member States, United Nations organizations, the Bretton Woods institutions and other relevant stakeholders to undertake necessary measures, in particular through supporting the developing countries in their efforts directed towards capacity-building of microcredit and other financial institutions, to achieve the Microcredit Summit Campaign goals in a timely manner;

"8. *Invites* Member States to consider undertaking policies to facilitate the expansion of microcredit and microfinance institutions in order to service the large unmet demand among poor people for financial services, including the identification and development of mechanisms to promote sustainable access to financial services, the removal of institutional and regulatory obstacles and the provision of incentives to microfinance institutions that meet national standards for delivering such financial services to the poor;

"9. *Requests* the Secretary-General to submit a report on the implementation of the present resolution to the General Assembly at its sixty-second session under an item entitled 'Implementation of the Second United Nations Decade for the Eradication of Poverty (2007-2016)' "

9. At its 33rd meeting, on 6 December, the Committee had before it a draft resolution entitled "Role of microcredit and microfinance in the eradication of poverty" (A/C.2/61/L.63), submitted by the Vice-Chairman of the Committee, Prayono Atiyanto (Indonesia), on the basis of informal consultations held on draft resolution A/C.2/61/L.39.

10. At the same meeting, the representative of Jamaica, as facilitator, orally corrected draft resolution A/C.2/61/L.63.

11. At the same meeting, the Committee was informed that the draft resolution had no programme budget implications.

12. Also at its 33rd meeting, the Committee adopted draft resolution A/C.2/61/L.63 as orally corrected (see para. 14, draft resolution II).

13. In the light of the adoption of draft resolution A/C.2/61/L.63, draft resolution A/C.2/61/L.39 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

14. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I
Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

The General Assembly,

Recalling its resolutions 47/196 of 22 December 1992, 48/183 of 21 December 1993, 50/107 of 20 December 1995, 56/207 of 21 December 2001, 57/265 and 57/266 of 20 December 2002, 58/222 of 23 December 2003, 59/247 of 22 December 2004 and 60/209 of 22 December 2005,

Recalling also the United Nations Millennium Declaration, adopted by Heads of State and Government on the occasion of the Millennium Summit,[1] and their commitment to eradicate extreme poverty and to halve, by 2015, the proportion of the world's people whose income is less than one dollar a day and the proportion of people who suffer from hunger,

Recalling further the 2005 World Summit Outcome,[2]

Recalling its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals,

Recalling also its resolution 61/16 of 20 November 2006 on the strengthening of the Economic and Social Council,

Recalling further the outcomes of the World Summit for Social Development[3] and the twenty-fourth special session of the General Assembly,[4]

Expressing its deep concern that, even after the first United Nations Decade for the Eradication of Poverty, the number of people living in extreme poverty in many countries continues to increase, with women and children constituting the majority and the most affected groups, in particular in the least developed countries and in sub-Saharan Africa,

Encouraged by reductions in poverty in some countries in the recent past, and determined to reinforce and extend this trend to benefit people worldwide,

Recognizing that mobilizing financial resources for development at the national and international levels and the effective use of those resources are central to a global partnership for development in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals,

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[1] See resolution 55/2.

[2] See resolution 60/1.

[3] *Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995* (United Nations publication, Sales No. E.96.IV.8), chap. I, resolution 1, annexes I and II.

[4] Resolution S-24/2, annex.

Acknowledging that sustained economic growth, supported by rising productivity and a favourable environment, including private investment and entrepreneurship, is necessary to eradicate poverty, achieve the internationally agreed development goals, including the Millennium Development Goals, and realize a rise in living standards,

Underlining the priority and urgency given by the Heads of State and Government to the eradication of poverty, as expressed in the outcomes of the major United Nations conferences and summits in the economic and social fields,

1. *Recognizes* the contribution that the first United Nations Decade for the Eradication of Poverty (1997-2006) has made to poverty eradication, and notes the interest expressed for the proclamation of a second United Nations decade for the eradication of poverty;

2. *Also recognizes* that during the implementation of the Decade the international community adopted, inter alia, the United Nations Millennium Declaration,[1] the Monterrey Consensus of the International Conference on Financing for Development,[5] the internationally agreed development goals, including the Millennium Development Goals, and the 2005 World Summit Outcome,[2] all of which are mechanisms to focus national, regional and international efforts towards achieving poverty eradication;

3. *Reiterates* that eradicating poverty is the greatest global challenge facing the world today and an indispensable requirement for sustainable development, in particular for developing countries;

4. *Urges* all Governments, the international community, including the United Nations system, and all other actors to pursue seriously the objective of the eradication of poverty within the context of the second Decade;

5. *Reiterates* the need to strengthen the leadership role of the United Nations in promoting international cooperation for development, critical for the eradication of poverty;

6. *Welcomes* the observance of the International Day for the Eradication of Poverty and the International Human Solidarity Day in order to raise public awareness to promote the eradication of poverty and extreme poverty in all countries, in this regard recognizes the useful role the observance of the days continues to play in raising public awareness and mobilizing all stakeholders in the fight against poverty, and encourages a participatory approach of the International Day for the Eradication of Poverty;

7. *Stresses* the importance of ensuring, at the intergovernmental and inter-agency levels, coherent, comprehensive and integrated activities for poverty in accordance with the outcome of the major United Nations conferences and summits organized in the economic, social and related fields;

8. *Calls upon* donor countries to continue to give priority to the eradication of poverty in their assistance programmes and budgets, on either a bilateral or a multilateral basis;

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[5] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

9. *Requests* the Secretary-General to submit to the General Assembly at its sixty-second session a comprehensive report evaluating the implementation of the first United Nations Decade for the Eradication of Poverty, including recommendations on maintaining the momentum generated by the implementation of the Decade;

10. *Recognizes* the useful role the observance of the International Day for the Eradication of Poverty continues to play in raising public awareness and mobilizing all stakeholders in the fight against poverty, and requests the Secretary-General to take into account his report on the observance of the Day,[6] as well as all other relevant reports concerning poverty eradication, in preparing his comprehensive report on the implementation of the Decade;

11. *Decides* to include in the provisional agenda of its sixty-second session the item entitled "Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)".

[6] A/61/308.

Draft resolution II
Role of microcredit and microfinance in the eradication of poverty

The General Assembly,

Recalling its resolutions 52/193 and 52/194 of 18 December 1997, 53/197 of 15 December 1998, 58/221 of 23 December 2003 and 59/246 of 22 December 2004,

Recognizing the need for access to financial services, in particular for the poor, including access to microfinance and microcredit,

Recognizing also that microfinance, including microcredit programmes, has succeeded in generating productive self-employment and proved to be an effective tool in assisting people in overcoming poverty and reducing their vulnerability to crisis, and has led to their growing participation, in particular the participation of women, in the mainstream economic and political processes of society,

Recognizing further that the majority of the world's poor still do not have access to financial services and that microcredit and microfinance are the subject of significant demand worldwide,

Bearing in mind the importance of microfinance instruments, such as credit, savings and other financial products and services, in providing access to capital for people living in poverty,

Bearing in mind also that microcredit programmes have especially benefited women and have resulted in the achievement of their empowerment,

Noting with appreciation the establishment of the United Nations Advisers Group on Inclusive Financial Sectors to promote the building of inclusive financial sectors to meet the needs and demands of poor people everywhere, building on the creation of the "Blue Book"[1] as a tool for policymakers seeking to build more inclusive financial sectors,

Noting events organized for the promotion of inclusive financial sectors, including the convening of the Global Microcredit Summit in Halifax, Canada, from 12 to 15 November 2006,

Welcoming the efforts made in the field of property rights, and noting that an enabling environment at all levels, including transparent regulatory systems and competitive markets, fosters the mobilization of resources and access to finance for people living in poverty,

Noting with appreciation the contribution of awards and prizes to increasing the visibility and awareness of the role of microfinance, including microcredit, in the eradication of poverty, most notably the awarding of the 2006 Nobel Peace Prize,

[1] *Building Inclusive Financial Sectors for Development* (United Nations publication, Sales No. E.06.II.A.3).

1. *Takes note* of the report of the Secretary-General on the observance of the International Year of Microcredit, 2005, and on the role of microcredit and microfinance in the eradication of poverty;[2]

2. *Welcomes* the successful observance of the International Year of Microcredit, 2005, which constituted a special occasion to raise awareness and share best practices and lessons learned on microcredit and microfinance;

3. *Recognizes* that access to microfinance and microcredit can contribute to the achievement of the goals and targets of major United Nations conferences and summits in the economic and social fields, including those contained in the United Nations Millennium Declaration,[3] in particular the goals relating to poverty eradication, gender equality and the empowerment of women;

4. *Notes* the lack of relevant statistical data on inclusive financial sectors, in particular microfinance and microcredit programmes, in particular at the national and regional levels, and in this regard invites the international community, in particular the donor community, to support developing countries in collecting and preserving necessary statistical data and information on this issue, specifically on defining and measuring access to financial services and products at the country level and measuring the type, quality and usage of such services and products over time;

5. *Calls upon* Member States, the United Nations system and other relevant stakeholders to fully maximize the role of microfinance tools, including microcredit for poverty eradication and especially for the empowerment of women, and to ensure that best practices in the microfinance sector are widely disseminated;

6. *Calls upon* Member States, the United Nations system, the Bretton Woods institutions and other relevant stakeholders to support, in a coordinated manner, the efforts of developing countries in capacity-building for microfinance and microcredit institutions, including by improving their policy and regulatory framework;

7. *Invites* Member States to consider adopting policies to facilitate the expansion of microcredit and microfinance institutions in order to service the large unmet demand among poor people for financial services, including the identification and development of mechanisms to promote access to sustainable financial services, the removal of institutional and regulatory obstacles and the provision of incentives to microfinance institutions that meet national standards for delivering such financial services to the poor;

8. *Requests* the Secretary-General to submit to the General Assembly at its sixty-third session a report on the implementation of the present resolution, under the item entitled "Eradication of poverty and other development issues".

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[2] A/61/307.

[3] See resolution 55/2.

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Eradication of poverty and other development issues: industrial development cooperation

Report of the Second Committee*

Rapporteur: Ms. Vanessa **Gomes** (Portugal)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 57 (see A/61/426, para. 2). Action on sub-item (b) was taken at the 30th and 34th meetings, on 17 November and 8 December 2006. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/61/SR.30 and 34).

II. Consideration of draft resolutions A/C.2/61/L.40 and A/C.2/61/L.65

2. At the 30th meeting, on 17 November, the representative of South Africa, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Industrial development cooperation" (A/C.2/61/L.40), which read:

> "*The General Assembly*,
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> "*Recalling* its resolutions 46/151 of 18 December 1991, 49/108 of 19 December 1994, 51/170 of 16 December 1996, 53/177 of 15 December 1998, 55/187 of 20 December 2000, 57/243 of 20 December 2002 and 59/249 of 22 December 2004 on industrial development cooperation,
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> "*Recalling also* the United Nations Millennium Declaration and its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development, and

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the Plan of Implementation of the World Summit on Sustainable Development ('Johannesburg Plan of Implementation'),

"*Recalling further* the 2005 World Summit Outcome,

"*Recalling* its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals,

"*Noting* the growing industrial divide and widening disparities between developed and developing countries,

"*Recognizing* the role of the business community, including the private sector, in enhancing the dynamic process of the development of the industrial sector, and underlining the importance of the benefits of foreign direct investment in that process and in the transfer and adaptation of technology, know-how and advanced skills,

"*Recognizing also* the importance of the transfer of technology to the developing countries as an effective means of international cooperation in the pursuit of poverty eradication and sustainable development,

"1. *Takes note* of the report of the Secretary-General;

"2. *Reaffirms* that industrialization is an essential factor in the sustained economic growth, sustainable development and eradication of poverty of developing countries as well as in the creation of productive employment, income generation and the facilitation of social integration, including the integration of women into the development process;

"3. *Stresses* the critical role of productive capacity-building and industrial development for the achievement of the internationally agreed development goals, including those contained in the United Nations Millennium Declaration;

"4. *Takes note* of the comprehensive review of the activities of the United Nations Industrial Development Organization conducted in line with its corporate strategy, which has enabled it to become a more focused, effective and efficient organization, especially for developing countries, capable of delivering concrete outcomes and providing valuable contributions to the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration;

"5. *Emphasizes* the necessity of favourable national and international measures for the industrialization of developing countries, and urges all Governments to adopt and to implement development policies and strategies to unleash the productivity growth potential through private-sector development, the diffusion of environmentally sound and emerging technologies, investment promotion, enhanced access to markets and the effective use of official development assistance to enable developing countries to achieve the internationally agreed development goals, including those contained in the Millennium Declaration, and to make this process sustainable;

"6. *Stresses* the importance of strengthening North-South industrial development cooperation and trade, and emphasizes furthermore the importance of North-South trade related technology diffusion, which has a

positive impact on productivity in high-technology industries and on technology-intensive manufacturing activities in developing countries, and on promoting the expansion, diversification and modernization of productive capacities in developing countries, in particular the least developed countries and landlocked developing countries;

"7. *Confirms* the contribution of industry to social development, especially in the context of the linkages between industry and agriculture, and notes that, within the totality of these interlinkages, industry serves as a powerful source of employment generation, income creation and social integration required for the eradication of poverty;

"8. *Calls for* the continuing use of official development assistance for industrial development in the developing countries, calls upon donor countries and recipient countries to continue to cooperate in their efforts to achieve greater efficiency and effectiveness of the official development assistance resources devoted to industrial development cooperation;

"9. *Also calls for* the continuing use of all other resources, including private and public, foreign and domestic resources, for industrial development in the developing countries;

"10. *Reiterates* the importance of cooperation and coordination within the United Nations system in providing effective support for the sustainable industrial development of developing countries, and calls upon the United Nations Industrial Development Organization to continue to carry out its central role in the field of industrial development according to its mandate;

"11. *Encourages* the United Nations Industrial Development Organization to continue to enhance its effectiveness, relevance and development impact by, inter alia, strengthening its cooperation with other institutions of the United Nations system at all levels;

"12. *Calls upon* the United Nations Industrial Development Organization to participate actively in coordination at the field level through the common country assessment and the United Nations Development Assistance Framework processes and sector-wide approaches;

"13. *Emphasizes* the need to promote the development of microenterprises and small and medium-sized enterprises, including by means of training, education and skills enhancement, with a special focus on agro-industry as a provider of livelihoods for rural communities;

"14. *Stresses* the need for the United Nations Industrial Development Organization to promote, within its mandate, the development of competitive industries in developing countries, especially in least developed countries and landlocked developing countries;

"15. *Reaffirms* the need to support the survival and expansion of industrial manufacturing activity in developing countries, and in this regard calls upon the United Nations Industrial Development Organization to continue to improve its technical cooperation activities through, inter alia, the areas of technology diffusion and capacity-building for market access and development;

"16. *Encourages* the United Nations Industrial Development Organization to increase its contributions to achieve the objectives of the New Partnership for Africa's Development with a view to further strengthening the industrialization process in Africa;

"17. *Recognizes* the importance of information in the replication of best practices in processing, design and marketing, and also recognizes the importance of South-South cooperation in this respect;

"18. *Takes note* of the vital role played by the United Nations Industrial Development Organization in the fields of private and public sector industrial development, productivity growth, trade capacity-building, corporate social responsibility, environmental protection, energy efficiency and the promotion of renewable energies;

"19. *Encourages* the United Nations Industrial Development Organization to develop further its global forum capacity according to its mandate, with the aim of enhancing, in the context of the globalization process, a common understanding of global and regional industrial sector issues and their impact on poverty eradication and sustainable development, and calls for further strengthening of the demand-driven integrated programme approach at the field level;

"20. *Requests* the Secretary-General to submit to the General Assembly at its sixty-third session a report on the implementation of the present resolution."

3. At its 34th meeting, on 8 December, the Committee had before it a draft resolution entitled "Industrial development cooperation" (A/C.2/61/L.65), submitted by the Vice-Chairman of the Committee, Prayono Atiyanto (Indonesia), on the basis of informal consultations held on draft resolution A/C.2/61/L.40.

4. At the same meeting, the representative of Italy, as facilitator, orally revised the draft resolution as follows:

(a) In operative paragraph 18, the words "and encourages" were inserted after the words "recognizes the importance of";

(b) In operative paragraph 19, the words "vital role" were replaced by the words "important role".

5. Also at its 34th meeting, the Committee was informed that the draft resolution had no programme budget implications.

6. Subsequently, the Committee adopted draft resolution A/C.2/61/L.65, as orally revised (see para. 8).

7. In the light of the adoption of draft resolution A/C.2/61/L.65, draft resolution A/C.2/61/L.40 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

8. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Industrial development cooperation

The General Assembly,

Recalling its resolutions 46/151 of 18 December 1991, 49/108 of 19 December 1994, 51/170 of 16 December 1996, 53/177 of 15 December 1998, 55/187 of 20 December 2000, 57/243 of 20 December 2002 and 59/249 of 22 December 2004 on industrial development cooperation,

Recalling also the United Nations Millennium Declaration,[1] the Monterrey Consensus of the International Conference on Financing for Development[2] and the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[3]

Recalling further the 2005 World Summit Outcome,[4]

Recalling its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals,

Noting that the reform of the United Nations Industrial Development Organization has enabled it to become more focused, effective and efficient and more capable of delivering concrete outcomes and providing valuable contributions to the achievement of the internationally agreed development goals, including the Millennium Development Goals,

Noting also the attention given by the United Nations Industrial Development Organization to poverty eradication through its priorities,

Noting further the prevailing industrial gap and disparities between developed and developing countries,

Recognizing the role of the business community, including the private sector, in enhancing the dynamic process of the development of the industrial sector, and underlining the importance of the benefits of foreign direct investment in that process,

Recognizing also the importance of the transfer of technology on mutually agreed terms to the developing countries as well as countries with economies in transition as an effective means of international cooperation in the pursuit of poverty eradication and sustainable development,

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[4] See resolution 60/1.

Noting that the Commission on Sustainable Development at its fourteenth session discussed, inter alia, industrial development,

1. *Takes note* of the report of the Director-General of the United Nations Industrial Development Organization;[5]

2. *Reaffirms* that industrialization is an essential factor in the sustained economic growth, sustainable development and eradication of poverty of developing countries as well as countries with economies in transition, and in the creation of productive employment, income generation and the facilitation of social integration, including the integration of women into the development process;

3. *Stresses* the critical role of productive capacity-building and industrial development for the achievement of the internationally agreed development goals, including the Millennium Development Goals;

4. *Takes note* of the comprehensive review of the activities of the United Nations Industrial Development Organization conducted in line with its corporate strategy, which has enabled it to become a more focused, effective and efficient organization, especially for developing countries as well as countries with economies in transition, capable of delivering concrete outcomes and providing valuable contributions to the achievement of the internationally agreed development goals, including the Millennium Development Goals;

5. *Emphasizes* the necessity of favourable national and international measures for the industrialization of developing countries, and urges all Governments to adopt and to implement development policies and strategies to unleash the productivity growth potential through private-sector development, the diffusion of environmentally sound and emerging technologies, investment promotion, enhanced access to markets and the effective use of official development assistance to enable developing countries to achieve the internationally agreed development goals, including the Millennium Development Goals, and to make this process sustainable;

6. *Stresses* the importance of strengthening North-South industrial development cooperation and trade, underlines the importance of a positive investment and business climate, and emphasizes furthermore the importance of North-South trade-related technology diffusion, which has a positive impact on productivity in high-technology industries and on technology-intensive manufacturing activities in developing countries, in promoting the expansion, diversification and modernization of productive capacities;

7. *Recognizes* the importance of South-South cooperation in the area of industrial development, and in this regard encourages the international community, including the international financial institutions, to support the efforts of developing countries, inter alia, through triangular cooperation;

8. *Confirms* the contribution of industry to social development, especially in the context of the linkages between industry and agriculture, and notes that, within the totality of these interlinkages, industry serves as a powerful source of the employment generation, income creation and social integration required for the eradication of poverty;

[5] See A/61/305.

9. *Calls for* the continuing use of official development assistance for industrial development in the developing countries as well as countries with economies in transition, calls upon donor countries and recipient countries to continue to cooperate in their efforts to achieve greater efficiency and effectiveness of the official development assistance resources devoted to industrial development cooperation and to support the efforts of developing countries as well as countries with economies in transition to promote industrial development cooperation among themselves, and underlines the importance of mobilizing funds for industrial development at the country level, including private funding and funds from relevant development finance institutions;

10. *Also calls for* the continuing use of all other resources, including private and public, foreign and domestic resources, for industrial development in the developing countries as well as countries with economies in transition;

11. *Reiterates* the importance of cooperation and coordination within the United Nations system in providing effective support for the sustainable industrial development of developing countries as well as countries with economies in transition, and calls upon the United Nations Industrial Development Organization to continue to carry out its central role in the field of industrial development according to its mandate;

12. *Encourages* the United Nations Industrial Development Organization to continue to enhance its effectiveness, relevance and development impact by, inter alia, strengthening its cooperation with other institutions of the United Nations system at all levels;

13. *Calls upon* the United Nations Industrial Development Organization to participate actively in coordination at the field level through the common country assessment and the United Nations Development Assistance Framework processes and sector-wide approaches;

14. *Emphasizes* the need to promote the development of microenterprises and small and medium-sized enterprises, including by means of training, education and skills enhancement, with a special focus on agro-industry as a provider of livelihoods for rural communities;

15. *Stresses* the need for the United Nations Industrial Development Organization to promote, within its mandate, the development of competitive industries in developing countries as well as countries with economies in transition, especially in least developed countries and landlocked developing countries;

16. *Encourages* the United Nations Industrial Development Organization to increase its contributions to achieve the objectives of the New Partnership for Africa's Development[6] with a view to further strengthening the industrialization process in Africa;

17. *Invites* the United Nations Industrial Development Organization to continue to build and strengthen its partnership with other United Nations organizations with complementary mandates and activities with a view to achieving greater effectiveness and development impact and promoting increased coherence within the United Nations system;

[6] A/57/304, annex.

18. *Recognizes* the importance of information in the replication of best practices in processing, design and marketing, and also recognizes the importance of and encourages South-South cooperation in this respect;

19. *Takes note* of the important role played by the United Nations Industrial Development Organization in the fields of private- and public-sector industrial development, productivity growth, trade capacity-building, corporate social responsibility, environmental protection, energy efficiency and the promotion of renewable energies;

20. *Encourages* the United Nations Industrial Development Organization to develop further its global forum capacity according to its mandate, with the aim of enhancing, in the context of the globalization process, a common understanding of global and regional industrial sector issues and their impact on poverty eradication and sustainable development, and calls for further strengthening of the demand-driven integrated programme approach at the field level;

21. *Requests* the Secretary-General to submit to the General Assembly at its sixty-third session a report on the implementation of the present resolution.